

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 779 - SB 749**

March 22, 2015

**SUMMARY OF BILL:** Declares that, for any street deannexed by a city on or after May 1, 1998, the city shall submit a map of the deannexed area to the Commissioner of Finance and Administration for the purpose of the Commissioner revising and reallocating funds to the appropriate city or county. Prohibits a municipality from deannexing certain territory, including roads, streets, and right-of-ways, without two-thirds vote of the county legislative body. Requires consent by a majority of voters for a municipality to deannex territory. Establishes procedures for county election commission to conduct a vote for deannexation after ten percent or more of registered voters in the municipality petition the county election commission that an election be held for such purpose. Removes current provision stating that three-fourths of voters have to assent to deannexation. Removes language from statute stating that the effective date for any contraction is the date of the ordinance, and replaces it with language stating when the contraction is done by election.

**ESTIMATED FISCAL IMPACT:**

**Local Revenue – Net Impact – Not Significant/Permissive**

**Local Expenditures – Net Impact – Not Significant/Permissive**

**Other Fiscal Impact – Permissive shifts in revenue and expenditures from one local government entity to another. The extent of any such shifts cannot be determined and are dependent upon the unknown, permissive, and future actions of cities and counties.**

Assumptions:

- The bill is permissive.
- Based on information provided by The Departments of Revenue, Finance and Administration, the Department of Transportation, and the Comptroller of the Treasury (COT), the fiscal impact of this bill is not significant on state government operations.
- COT reports that any increase or decrease in expenditures, or any increase or decrease in revenue to counties or municipalities, will be matched by offsetting increases or decreases in revenue and expenditures to other counties or municipalities. Therefore, any net permissive impact to local government is considered not significant.
- The costs related to an election are estimated to be not significant given the bill requires the election to be held during the next regularly scheduled citywide or countywide

election, primary, or referendum that is held at least 45 days after the petition for deannexation are filed with the election commission.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

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